GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:529
ANSWERED ON:23.02.2001
PERFORMANCE OF PUBLIC SECTOR UNDERTAKINGS IN MAHARASHTRA
MANIKRAO HODLYA GAVIT;SADASHIVRAO DADOBA MANDLIK

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the profits of many public sector units have decreased during 1999-2000, 2000-2001;

(b) if so, the details thereof and the reasons for decline in the profit; and

(c) the steps being taken to remedy the situation?

Answer

MINISTER OF STATE FOR HEAVY INDUSTRIES AND PUBLIC ENTERPRISES (DR. VALLABHBHAI KATHIRIA)

(a) & (b) : As per Public Enterprises Survey 1998-99, which was laid on the table in the Lok Sabha on 10.3.2000, there were 235 operating Central Public Sector Undertakings as on 31.3. 99. Out of these, 114 PSUs recorded either increase in profits or decrease in losses, 118 PSUs had recorded either decrease in profits or increase in losses and in three cases there was no change during 1998-99 as compared to the previous year. The reasons for such down fall are enterprise specific. However, some of the common reasons are outdated technology, old plants and machinery, severe competition, financial crunch, higher input costs, surplus manpower etc.

(c): Performance improvement is a continuous process. Enterprise specific steps are taken by the administrative Ministries/Departments/Management of PSUs from time to time. However, some of the common steps include managerial and financial restructuring, formation of joint ventures, upgradation of technology, modernization of plants and machinery, cost control measures, rationalization of manpower, improved marketing strategies etc.